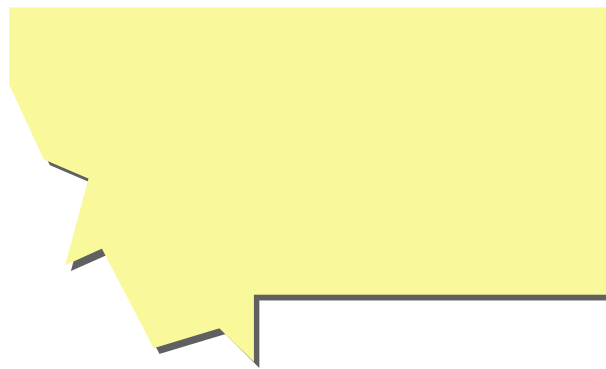


INTEREST-BASED BARGAINING TRAINING



PARTICIPANTS HANDBOOK

MONTANA DEPARTMENT OF LABOR & INDUSTRY
LABOR STANDARDS BUREAU

Interest Based Bargaining

A training program to increase your ability to bargain more effectively by turning face-to-face confrontation into side-by-side problem solving.



Goals – Participants will be:

- Given an overview of the IBB Process
- Provided an opportunity to experience the process



Conflict is Healthy!

Conflict is like pain

- don't have to like it
- but it serves a purpose
- tells you something needs fixing
- so fix it

*Don't view negotiations as a sign of (or
penalty for) failure ...*

look at it as an opportunity for improvement

*PREREQUISITES FOR POSITIVE
LABOR/MANAGEMENT COOPERATIVE*

- ✦ **MOTIVATION**
- ✦ **INFORMATION**
- ✦ **COMMUNICATION SKILLS**
- ✦ **CLIMATE**
- ✦ **READINESS OF ORGANIZATION**



WHAT IS LABOR/MANAGEMENT COOPERATION?

It is a **PHILOSOPHY** that espouses mutuality of interest in the operation of an organization in accordance with the values of a democratic society.

It is an **ATTITUDE** that values and nurtures an open climate conducive to mutual sharing of information and the building of trust.

It is a **PROCESS** that provides a vehicle for participation in problem solving and decision making to improve the effectiveness of an organization and to enhance the quality of work life.



Principles of an Effective Relationship

PURPOSE - build a relationship to:

- Survive changes in key people
- Survive differences over substance
- Survive mistakes, problems, and surprises

PRINCIPLES - an effective relationship involves:

Communication

- “ACBD” - Always check before doing
- Always consult before deciding
- Active listening

Understanding

- Seek first to understand before seeking to be understood

Respect

- Accept other parties as equal partners in the relationship

Trust

- Be wholly trustworthy, yet not wholly trusting

Emotion

- Make decision based on reason not emotion

Focus

- Separate relationship and content issues

Process

- Use an interest-based strategy

The Seven Norms of Collaborative Work

Pausing

Pausing before responding or asking a question allows time for thinking and enhances dialogue, discussion, and decision-making.

Paraphrasing

Using a paraphrase starter that is comfortable for you "So..." or "As you are...." or, "You're thinking..." and following the starter with a paraphrase assists members of the group to hear and understand each other as they formulate decision.

Probing

Using gentle open-ended probes or inquiries such as "Please say more..." or "I'm curious about..." or "I'd like to hear more about..." or "Then, you saying..." increases the clarity and precision of the group's thinking.

Putting ideas on the table

Ideas are the heart of a meaningful dialogue. Label the intention of your comments. For example, you might say, "Here is one idea..." or "One thought I have is..." or, "Here is a possible approach..."

Paying attention to self and others

Meaningful dialogue is facilitated when each group member is conscious of self and of others and is aware of not only what she/he is saying, but how it is said and how others are responding. This includes paying attention to learning style when planning for, facilitating, and participating in group meetings. Responding to others in their own language forms is one manifestation of this norm.

Presuming positive presuppositions

Assuming that others' intentions are positive promotes and facilitates meaningful dialogue and eliminates unintentional put-downs. Using positive presuppositions in your speech is one manifestation of this norm.

Pursing a balance between advocacy and inquiry

Pursuing and maintaining a balance between advocating a position and inquiring about one's own and others' positions assists the group to become a learning organization.

Considerations for Effective Interest - Based Strategies

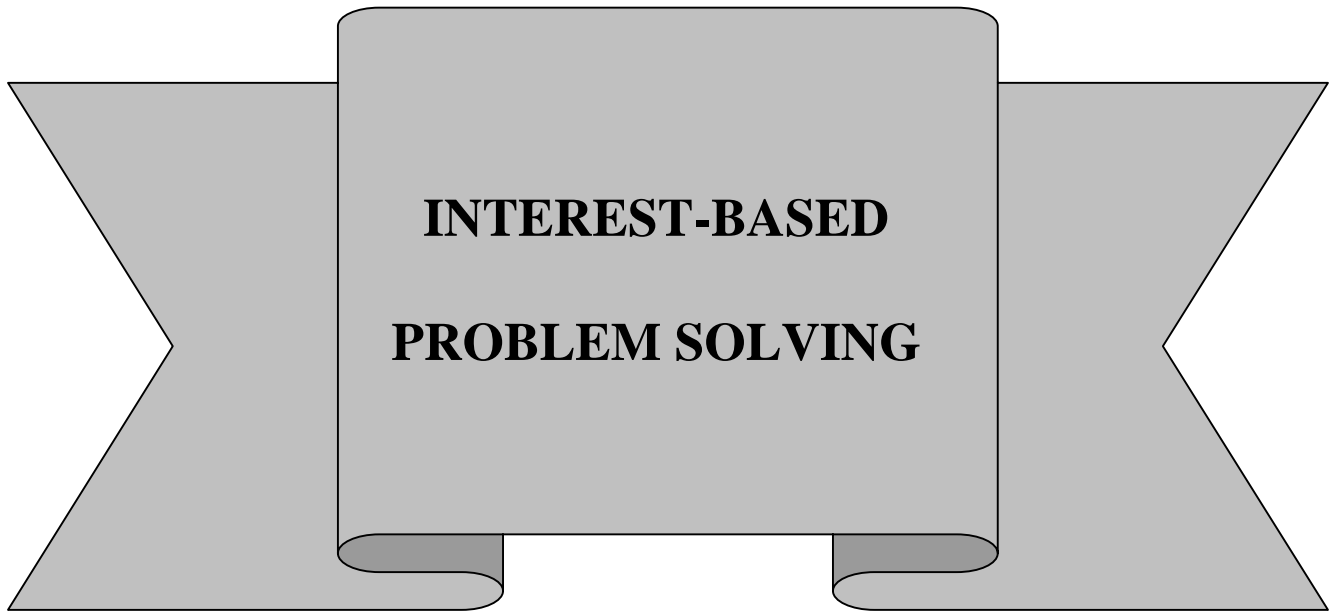
There are certain considerations the parties should bear in mind in preparing for and carrying out an interest-based strategy for problem-solving or negotiations.



- Building and maintaining understanding and support of an interest-based strategy among constituents.
- Helping constituents understand interests - their own and the other parties'.
- Communicating during the process (written proposals as markers of progress are not available.)
- Dealing with the perceptions that the process "takes too long."
- Maintaining clarity on organizational interests as well as constituents' interests.
- Analyzing options for unintended consequences.
- Moving from conceptual agreements to effective agreement or policy language.
- Dealing with questions of trust and possible perceptions of collusion with the other parties.
- Maintaining balance in focusing on relationship and content issues.

What Makes A Good Negotiator?

- # High tolerance for ambiguity
- # Doesn't see world in B&W (good guys and bad guys)—can empathize with other side
- # Enjoys problem-solving (tenacious, probing, relentless)
- # Creativity/imagination
- # Good connection to constituency
- # Self-confidence (doesn't worry about being liked—'cause likes him/herself)



Also called

***INTEGRATIVE**

***BEST PRACTICE**

***PRINCIPLED**

***WIN-WIN**

***COLLABORATIVE**

***MUTUAL GAIN**

HOW DO THEY COMPARE???

TRADITIONAL

Issues

Positions

Arguments

Power/Compromise

Settle/Win-Lose

INTEREST-BASED

Issues

Interests

Options

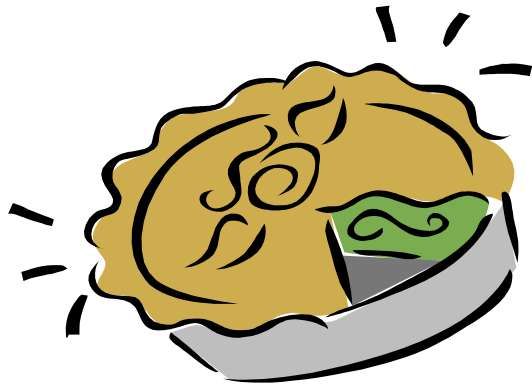
Standards

Settle/Win-Win

ASSUMPTIONS/BELIEFS

- ✓ Both parties have right to exist
- ✓ Both parties have legitimate interests
- ✓ Negotiations can enhance relationship
- ✓ Interest-based solutions durable
- ✓ Mutual gain possible
- ✓ Assist each other for positive results
- ✓ Fully disclose necessary information
- ✓ Rely on objective criteria not power/rights
- ✓ Decision makers approve process
- ✓ Expand dialogue during process

TRADITIONAL PROBLEM SOLVING NEGOTIATIONS



FOCUS ON A LIMITED PIE

***EVERY SLICE I GET IS ONE LESS FOR YOU**

***WHAT I WIN YOU LOSE**



Interest-based problem solving attempts to expand the pie by:

- ❖ Helping each other
- ❖ Sharing interest information
- ❖ Discovering differing values
- ❖ Creating many options

INTEREST-BASED PROBLEM SOLVING

Applying P.A.S.T.

It is based upon PRINCIPLES, ASSUMPTIONS, STEPS, and TECHNIQUES used by trained problem solvers to achieve positive results for both parties.

PRINCIPLES

- **Focus on issues, not personalities**
- **Focus on interests, not positions**
- **Create options to satisfy both mutual & separate interests**
- **Evaluate options with standards, not power**

ASSUMPTIONS

- **Problem solving enhances relationships**
- **Both parties can win**
- **Parties should help each other win**
- **Open discussion expands mutual interests and options**
- **Standards can replace power relative to solutions**

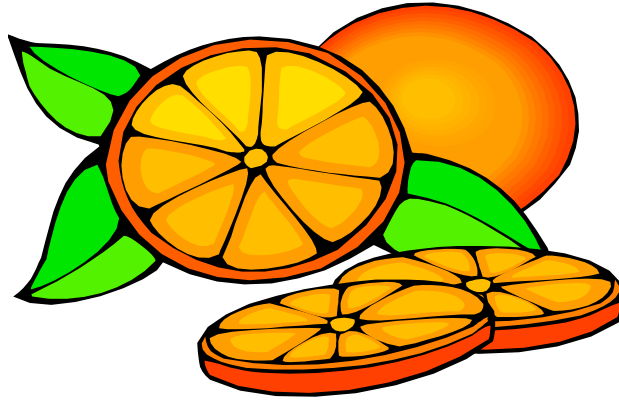
STEPS

- **Identify issues**
- **Identify interests**
- **Develop options**
- **Develop standards**
- **Judge options with standards**
- **Achieve a mutual gain agreement**

TECHNIQUES

- **Brainstorming**
- **Consensus building**
- **Other problem solving mechanisms**
- **Idea charting**
- **Effective communications**
- **Understanding differences**
- **Other techniques**

ISSUE: WHO GETS THE ORANGE?



POSITIONS

John --- "I want it!"

Bob --- "I've got to have it!"

Tom --- "I need it now!"

Steve --- "Let me have it!"

Joe --- "Give it to me now!"

INTERESTS

| | |
|-----------|--------------|
| John --- | Juggling |
| Bob --- | Orange Juice |
| Tom --- | Seeds |
| Steve --- | Peeling |
| Joe --- | Pulp |

ORANGE IMPLICATIONS

- Positions are Mutually Exclusive
- Interests are not Mutually Exclusive
- Position taking precludes Discovery of
- Mutual Interests and Options

IDENTIFY YOUR INTERESTS

(Not Positions)

- Positions are the concrete things you want – but behind your positions are your **INTERESTS**.
- Your **INTERESTS** are the intangible motivations that lead you to a position. They are your needs, desires, concerns and fears.
- You discover your **INTERESTS** by asking the question, Why? Why do I want that?
- Focusing on **INTERESTS**, not positions, leads you to choices or options that could never be considered if you focused on your concrete positions.
- Options are not rigid objectives; they are potential solutions that would satisfy most, if not all, interests that people have if they want to solve a problem.

Example:

- Position – I must have work hours from 8:30 A.M. to 3:00 P.M.
- Interest – I am concerned about my daughter who will be home alone after school until I get home.
-

AN INTEREST IS...

A FEAR, a NEED, a WORRY, or a CONCERN relative to a problem OR issue which can be resolved by a variety of solutions which may, AFTER discussion, be acceptable to BOTH PARTIES.

CONVERTING POSITIONS TO INTERESTS

Converting positions to interests

If a demand, solution, proposal, or position appears on your interest list, convert it to an interest by asking what problem it is trying to solve or what concern it is intended to address

Key differences

position: one party's proposed solution to an issue; the *how*

A position statement:

- focuses on a particular solution,
- makes a demand, and
- sets up confrontation before the problem has been clearly defined.

interest: one party's concern, need, or desire behind an issue; *why* the issue is being raised

An interest statement:

- focuses on the problem,
- articulates one of a range of needs and,
- establishes a climate and a common language for discussion so that the real issue or problem can be understood, discussed, and negotiated.

EXERCISE A

An Exercise on Distinguishing Position Statements from Interest Statements

Definitions:

- POSITION: One party's solution to an issue
- INTEREST: One party's concern about an issue

Directions: Under each issue listed below are two statements. One is a position statement on the issue. The other is an interest statement on the issue. Place "P" next to the position statement and an "I" to the interest statement.

1. Issue: Neighbor who borrows and does not return yard equipment and tools.

Statements:

- ___ a. I will not let you borrow anything else without a specific promise as to when it will be returned.
- ___ b. When I want to work in the yard, I want to go into my garage and get my tools or equipment. I don't want to go to your house and ask for my things.

2. Issue: A car pool member who is frequently late on his driving day.

Statements:

- ___ a. When I am late, my boss is on my case all day.
- ___ b. The next time you are even five minutes late, we are going to kick you out of the car pool.

3. Issue: Paper delivery boy who doesn't get the morning paper close to the front door.

Statements:

- ___ a. I'm not going to pay for the paper if it isn't on the step every morning.
- ___ b. I like to get the paper as soon as I get out of bed and before I am dressed.

EXERCISE B

An Exercise on Developing Interest Statements

Definitions:

- INTEREST: One party's concern about an issue
- POSITION: One party's solution to an issue

Directions: Listed below are issues involving two parties. In each situation, both parties have taken a position. Convert those position statements into interest statements expressed in complete sentences.

1. Issue: Husband and wife planning a vacation together.

Wife's position: I must spend a week in San Francisco shopping and eating great food.

Wife's interests:

Husband's position: This year, I am going to spend a week on an ocean cruise.

Husband's interests:

2. Issue: A customer returning an undamaged article to a store.

Customer's position: I must have my money back.

Customer's interests:

Store Clerk's position: I won't refund your money without a receipt.

Store Clerk's interests:

EXERCISE C

An Exercise in Developing Options based on Interests

Definitions:

- INTEREST: One party's concern about an issue.
- OPTION: One of several solutions that can satisfy an interest on an issue.

Directions: Listed below are some statements of interest. Below each statement list as many options as you can to satisfy that interest.

1. Interest statement:

A husband and wife have a mutual interest in getting off rented property and onto their own land.

List as many options as you can to satisfy that interest

2. Interest statement:

A husband and wife with two children inherited \$25,000 from a bachelor uncle; they have a mutual interest in using their inheritance most effectively.

List as many options as you can to satisfy that interest.

The Rules of Brainstorming

(Always Review Before Brainstorming)

1. Make No Criticism
 - ❖ Judging is Forbidden
2. Understand These are Ideas
 - ❖ Not offers or Proposals
3. Be Free-Wheeling
 - ❖ Use Imagination
 - ❖ Take Risks
4. Go for Quantity
 - ❖ More Ideas the Better
 - ❖ More variety the Better
5. Combine – Expand – Hitch-Hike Ideas
6. List on Chart Paper
7. Everyone has Opportunity to Suggest



STANDARDS

Simple

Cost Effective

Equitable

Can We Sell I t

Legal

Area Standard

Understandable

CONSENSUS



COMMON DEFINITION OF CONSENSUS

“Although consensus is commonly used to mean complete or unanimous agreement, its precise meaning is general agreement. A group reaches consensus when all members are willing to accept a decision or alternative as the best solution for the group at that time. Not everyone must agree with the decision, but the decision must be reached in a fair and open manner. Each individual has provided input and honestly believes that his/her view is understood”

PRACTICE DEFINITION OF CONSENSUS

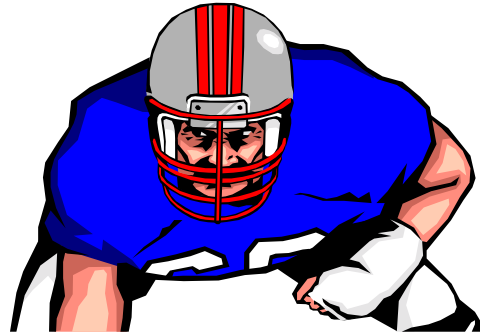
“A decision everyone can live with”

CREATING CONSENSUS

- **Listen actively**
- **Encourage others to participate**
- **Share information**
- **Don't change your mind to get along**
- **Yield to reason not pressure**
- **Listen to all ideas**
- **Don't bargain**
- **Work collaboratively**
- **Combine ideas creatively**
- **Don't argue for an idea because it's yours**
- **Look for mutual gains approaches**

OBSTACLES TO CONSENSUS

- **Loss of focus**
- **Stalemates**
- **Blocking**



SOLUTIONS

Loss of focus
Stalemates
Blockers

Loss of focus:
re-focus issue
broaden perspective

Stalemates:
combine options

Blockers:
Ask what group
can do to address
concerns

TESTING FOR CONSENSUS

- **Has everyone been heard?**
- **A simple test at the conference table: Is there anyone who can't live with the proposed solution**
- **Dissenter obligations: 1) explain why; and 2) propose solution building on or modifying proposed solution**

ANOTHER SIMPLE TEST



BENEFITS OF CONSENSUS

- **Builds trust**
- **Build ownership of decisions**
- **Builds support and lessens opposition**
- **Eases implementation of changes**
- **Is very powerful**

ANOTHER DEFINITION OF CONSENSUS

A group reaches consensus when all members agree upon a single alternative, and each group can honestly say:

- I believe that you understand my point of view and that I understand yours.
- Whether or not I prefer this decision, I support it because:
 - It was reached fairly and openly, and
 - It is the best solution for us at this time.

*No one just gives in; no one gets all they want;
not always a compromise;
but the best solution for us at this time.*



**You can't always get what you want,
But if you try sometimes...
You just might find...
You get what you need.**

--Mick Jagger

EXERCISE D

An Exercise in Linking Interests, Options and Standards

Definitions:

- INTEREST: One party's concern about an issue.
- OPTION: One of several solutions to meet or satisfy an interest.
- STANDARDS: Characteristics to compare options.

Directions: For the issue below, identify as many interests as you can. Then, based on those interests, list as many options as you can. (Remember – when developing options, the emphasis is not on quality.) Finally, list the standards for evaluating and judging which option(s) are best.

Issue: The application of a curfew to the youngest child, a twelve-year old girl.

Interest of parents:

Interest of twelve-year old girl:

Options

Standards or characteristics: (some examples)

1. Mutual gain for parent and child
2. Respectful of both parties
3. Community or neighborhood practice

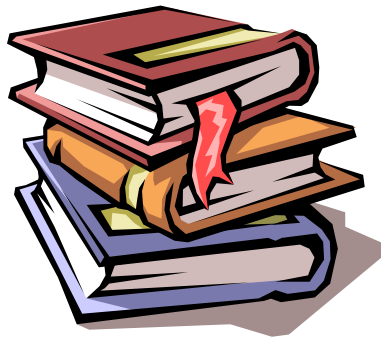
Why is a process for problem solving necessary?

- To manage the time available for meetings.
- To insure participation by all team members
- To avoid overt or subtle domination of the team by high status persons or strong personalities.
- To generate a large number of potential solutions.
- To generate criteria for discussing and analyzing ideas without threatening those who presented the ideas.
- To set priorities among possible solutions in a way that is consistent with consensus decision making.
- To set personal responsibilities for follow-up actions, and to share these responsibilities among all team members.



Telling the Story

- * Explain the problem and issues in detail
 - What happened [or is happening?]
 - When did [does] it happen?
 - Who is involved?
 - How does it affect us?
 - How does it make us feel?
- * Honor the perception of others
- * Clarify
- * Seek perceptions, texture, background
- * Describe, don't characterize or blame
- * Record for group memory



A PROBLEM SOLVING PROCESS

1. Define and Frame the Issue
(Telling the Story)
2. Exchange Data and Interests
 - 2.1 Identify Available Data
 - 2.2 Identify Other Data Readily Obtainable That is Needed and How It Will Be Collected
 - 2.3 List the Interests – The Concerns and Needs That Must be Addressed When Solving This Problem
3. Brainstorm Options
 - 3.1 Reaffirm Rules for Brainstorming Each Time
4. Evaluate Options Based on Your Criteria: the Identified Interests of the Parties
5. Select Solution Based on Mutual Gain
 - 5.1 Test for Consensus
 - 51.1 What Interest is Not Met?
 - 51.2 How Can the Solution Be Modified to Meet This Interest and Other Interests as Well?
6. Closure
 - 6.1 “That’s the Deal” – Write It Up.
 - 6.2 Contingent Agreement
 - 6.3 Set Aside But With Understanding of Where the Parties Disagree



STATE OF MONTANA BOARD OF PERSONNEL APPEALS

Interest Based Negotiations Cheat Sheet

DEFINITIONS

- ISSUE:** topic or subject of negotiation
- POSITION:** one party's solution to an issue; the how
- INTEREST:** concerns, needs, desires Behind the issue; the why
- OPTION:** potential solutions that satisfy the interests
- STANDARDS:** objective criteria to compare and judge options

PREPARE FOR NEGOTIATIONS

- Educate constituents
- Seek information
- List issues and interests
- Write opening statements
- Share list of issues

OPEN NEGOTIATIONS

- Share opening statements discuss the issue clearly

NEGOTIATE WITH "IB" PROCESS

- Jointly select an issue
- State the issue clearly
- Flip chart interests
- Discuss and clarify interests
- Identify mutual interests
- Brainstorm option-that satisfy one or more interest; others clarify options
- Propose possible standards
- Clarify each proposed standard
- Reach consensus on the standards
- Discuss each option
- Amend, combine, develop new options
- Apply standards to options (use Matrix)
- Eliminate options with meet few or none of the standards
- Combine options that meet the standards
- Reach consensus on the solution
- Draft the solution
- Check consensus on the written solutions

SUMMARY OF P.A.S.T. "WIN-WIN" PROBLEM SOLVING

P.A.S.T. "WIN-WIN" problem solving is based on Principles, Assumptions, Steps, and Techniques used to achieve positive results for both sides.

PRINCIPLES

- Focus on Issues, Not Personalities
- Focus on Interest, Not Positions
- Create options to Satisfy Both Mutual and Separate Interests
- Evaluate Options with Standards, No Power

ASSUMPTIONS

- Cooperative problem solving enhances relationships
- Both parties can win
- Parties should help each other win
- Open discussion expands mutual interests and option
- Standards can replace power in outcome

STEPS

- Prepare for "WIN-WIN" problem solving
- Develop opening statements
- Identify issues
- Identify interests
- Develop options
- Develop standards
- Judge options with standards
- Achieve "WIN-WIN" resolution

TECHNIQUES

- Brainstorming
- Consensus building
- Problem solving
- Idea charting
- Others

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